

CHANGES TO THE SPECIALLY ADAPTED HOUSING PROGRAM
PUBLIC LAW 110-289

1. PURPOSE: On July 30, 2008, the President signed Public Law 110-289, the Housing and Economic Recovery Act of 2008. This circular explains changes to the Specially Adapted Housing (SAH) program made by Section 2605 of that Act, which provides for automatic annual increases in the dollar amounts available to certain SAH grant recipients.

2. BACKGROUND: The Law directed the Secretary to establish a residential home cost-of-construction index for the purpose of increasing certain SAH grant amounts. The Law authorized the Secretary to determine whether to develop a new index or to select one from the public or private sectors. The Law required that any index selected must reflect a uniform, national average change in the cost of residential home construction, determined on a calendar-year basis. In accordance with 38 U.S.C, 2101(e), any increase will equal the percentage by which the cost-of-construction index increased between the two preceding calendar years. Please note that these adjustments must increase the maximum grant amounts or leave them unchanged; they will never decrease the maximum grant amounts.

3. INDEX SELECTION: After extensive research, the Turner Building Cost Index (TBCI) was selected. The selection of TBCI was based on the fact that TBCI emphasizes the costs of labor and materials rather than property values and sales prices, factors on which a number of other indices are based.

4. INCREASE IN SAH GRANT AMOUNTS

a. For Fiscal Year 2010, SAH grants authorized under 38 U.S.C. 2101(a) and (b) is increased by 6.3 percent. Therefore, the aggregate amount of assistance available increases from \$60,000 to \$63,780 for the Paraplegic Housing (PH) grant and from \$12,000 to \$12,756 for the Adaptive Housing (AH) grant. Please note that the Temporary Residence Adaptation (TRA) grant amount is not indexed and remains unchanged.

b. These changes may apply to grants already in process that were not paid in full prior to October 1, 2009. Funds added to an escrow account will be considered a supplemental grant and will not count against one of the individual's three available grant usages. An individual is still limited to a total of three SAH grant usages (including PH, AH, and TRA grants) over his or her lifetime.

c. However, in accordance with Public Law 109-233, grant recipients cannot obtain a subsequent or supplemental grant to pay for adaptations made prior to June 15, 2006 or to reduce an existing mortgage principal for properties acquired prior to June 15, 2006.

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5. SAHSHA MAXIMUM GRANT AMOUNTS WILL BE REVISED: For Fiscal Year 2010, the default maximum grant amounts for both PH and AH cases in SAHSHA will be re-set to reflect these changes. For more information, contact Brian Bixler, Chief of Specially Adapted Housing, at 202-461-9546 or brian.bixler@va.gov.

6. STATION PROCEDURES: Regional Loan Centers should disseminate this information as widely as possible using their local websites. It is not necessary to prepare “hard copy” local releases, although stations may do so at their discretion. Central Office will be placing this information on the Loan Guaranty website and there will also be a link from the portal.

7. RESCISSION: This circular is automatically rescinded October 1, 2010.

By Direction of the Under Secretary for Benefits

Mark Bologna
Director, Loan Guaranty Service

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